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# FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS
# UNOPS BUDGET ESTIMATES FOR THE BIENNIUM 2000-2001

## Revised budget estimates for the biennium 1998-1999 and budget estimates for the biennium 2000-2001

## Report of the Executive Director

Summary

The revised budget estimates for the biennium 1998-1999 and budget estimates for the biennium 2000-2001 for the United Nations Office for Project Services (UNOPS) are contained in the present document. They have been reviewed and approved by the Management Coordination Committee and submitted to the Advisory Committee for Administrative and Budgetary Questions.

The revised budget for the biennium 1998-1999 proposes a decrease from $89.6 million to $88.5 million for recurring activities and an increase from $11.4 million to $14.0 million for extraordinary, non-recurring activities.

The budget estimates for the biennium 2000-2001 include a total of $110.9 million for recurring activities and $2.9 million for non-recurring activities.

These budget revisions and proposals continue to reflect the distinction. between recurring and non-recurring expenditures established in Executive Board decision 98/20 of 21 September 1998.

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# I. INTRODUCTION

1. The present document contains the revised budget for the biennium 1998-1999 and the budget estimates for the biennium 2000-2001 for the United Nations Office of Project Services (UNOPS), which are submitted in accordance with Executive Board decision 94/32 of 10 October 1994.

2. Pursuant to UNOPS Financial Regulations 6.3 and 6.4, the present budget estimates are being submitted through, and have been approved by, the Management Coordination Committee (MCC), and have been transmitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

3. The Executive Director is pleased to report that in 1998 UNOPS again operated in accordance with the self-financing principle, allowing UNOPS to bring the operational reserve at the end of 1998 to above its currently approved level. The UNOPS operational reserve was established at the level of 4 per cent of the combined expenditure on administrative and project budgets of the prior year by the Executive Board in its decision 97/21 of 18 September 1997.

4. The revised budget estimates for the biennium 1998-1999 together with the new budget estimates for the biennium 2000-2001 contained in the present document are based on the expectation that UNOPS will continue to operate in accordance with the self-financing principle for recurring expenditures and that extraordinary, non-recurring expenditures will be funded by the UNOPS operational reserve if income generated during 1999 or the biennium 2000-2001 is insufficient. This is in accordance with the UNOPS financial model noted by the Executive Board in its decision 95/31 of 15 September 1995 and with UNOPS Financial Regulation 8.3, which establishes that shortfalls in income are elements to be compensated for and covered by the UNOPS operational reserve.

# II. REVISED PROJECTIONS OF INCOME AND ESTIMATED BUDGET EXPENDITURES FOR THE BIENNIUM 1998-1999

5. UNOPS is basing its revised estimates for the biennium 1998-1999 on the actual delivery and income performance of 1998 and on the projections of operations divisions as put forward in the business planning process for 1999. In planning for project delivery and income, account has been taken of the estimated impact on overall UNOPS performance resulting from the implementation of the relocation project as well as the systems projects for the implementation of the Integrated Management Information System (IMIS) and upgrades to meet the requirements for Y2K, described in paragraphs 25-29 below.

6. Funds committed by UNOPS clients for the implementation of projects by UNOPS, referred to as the "project portfolio", amounted to $1.1 billion in mid-1999. In addition, UNOPS is administering loans on behalf of the International Fund for Agricultural Development (IFAD), referred to as "services only", in the amount of $2 billion, bringing the current overall value of the development and other funds for which UNOPS assumes responsibility to $3.1 billion. The projections for services delivery and the

associated income also take account of the special factors referred to in paragraph 5 above.

## A. Income

7. The total income to be earned in the 1998-1999 biennium was projected in document DP/1998/35 at $90.8 million; it was on this basis that the administrative budget was established. The revised income projections are $101.1 million, based on the 1998 actual performance and the 1999 business plan. This new projection reflects an increase in expected income of $10.3 million or 11 per cent, which is consistent with another year of major increases in portfolio acquisitions in 1998 and with a similar trend in acquisitions at mid-year 1999. An overview of income performance for the biennium 1998-1999 together with projections for 2000-2001 are provided in table 1. Further analysis and comments on the different components of UNOPS income are included in paragraphs 8-12 below.

### 1. Income from project implementation

8. In 1998, actual project delivery totalled $537.8 million, which generated an income of $43.5 million. These figures correspond to 98 per cent and 114 per cent respectively of the revised targets for project delivery and for income. In the revised estimates for the biennium 1998-1999, total project delivery is projected at $1 088 million, which corresponds to an increase of 22 per cent over the total achieved in the biennium 1996-1997. The revised income projection for the biennium is $86.4 million, an increase of 29 per cent over the achievement of 1996-1997. The rate of income as a proportion of project delivery remains very close to that achieved during the biennium 1996-1997.

9. Remaining mindful of decisions and recommendations of the Executive Board and ACABQ as to the need to diversify its portfolio, the Executive Director has taken a number of measures, including the establishment of a new division (see paragraphs 18-19) and the appointment of a Business Development Coordinator. He is now able to report that acquisitions of new projects funded by United Nations sources other than the United Nations Development Programme (UNDP) increased from $56 million in 1997 to $67 million in 1998 (an increase of 20 per cent). In 1998, there was also a significant expansion in the services provided by UNOPS to nationally executed projects, both for UNDP and for other United Nations clients, from $48 million in 1997 to $120 million. The Executive Director is pleased to report that income from projects carried out on behalf of non-traditional clients from the United Nations system rose from $0.3 million in 1997 to $1.7 million in 1998 and to confirm that efforts to sustain and develop these activities will continue.

### 2. Income from services only activities

10. Another area in which UNOPS has broadened its role is the provision of services in support of project execution and contracting carried out by other parties. To date, this continues to be reflected in the provision of loan administration and project supervision services for IFAD. In 1998, these services generated $4.1 million in income and a forecast of $5.6 million in

1999 gives a projected total for the biennium 1998-1999 of $9.7 million, an increase of 41 per cent over the 1996-1997 biennium. The projected expansion in 1999 of this area of activities, primarily but not exclusively on behalf of IFAD, reflects UNOPS continuing efforts to expand its range of clients and services.

### 3. Other income

11. UNOPS income also includes minor additional elements - primarily interest income from operating and reserve balances and from other sundry and occasional sources. In addition to these sources of income in 1998, there was income of $1.0 million relating to the cancellation of obligations for the biennium 1996-1997. Further to a discussion with representatives from the Board of Auditors and from ACABQ, the host government contributions towards costs incurred for the relocation of offices to Copenhagen have been included under this category while the associated costs are included under administrative expenditures. This is reflected in table 1 for the current biennium.

12. In 1999, other income, including contributions received from the Government of Denmark, is forecast to total $2.6 million giving a total for the biennium 1998-1999 of 5.0 million. The majority of this income is derived from interest earned on the operating and reserve balances maintained by UNOPS and managed on behalf of UNOPS by the UNDP Treasury. The projected total anticipates that contributions under the Danish grant will again cover related expenditures and that the projected income and expenditure, which is reflected in table 1, will total $0.7 million. It is not currently anticipated that this contribution and expenditure will run into the biennium 2000-2001.

## B. Administrative expenditures

13. The approved budget for total administrative expenditures for UNOPS for the biennium 1998-1999 is $101 million; this latest revision, based on the actual expenditures for 1998 and revised projections for 1999, totals $102.6 million, an overall increase of $1.6 million or under 2 per cent. This total can be broken down into the two categories of recurring and non-recurring expenditures proposed in document DP/1998/35, endorsed by ACABQ in document DP/1998/36, and approved by the Executive Board in its decision 98/20 of 21 September 1998. The total approved recurring administrative expenditures for the biennium 1998-1999 amount to $89.6 million. Actual recurring expenditure for 1998, including the expenditure under the Danish grant described above, totalled $40.5 million. This was $3.1 million lower than the approved budget. The approved non-recurring administrative expenditures for 1998 totalled $3.0 million while actual expenditure in 1998 under this heading amounted to $1.5 million, half of what was projected. The latest forecast for 1999, based on the divisional business plans, includes a total of $48.1 million for recurring expenditures and $12.6 million for non-recurring activities. This current forecast represents an increase of $2.1 million and $4.2 million respectively over the budget approved for 1999 in document DP/1998/35. These movements are described in table 2; the background to the expenditures under the non-recurring category is described in paragraphs 25 to 29.

14. The Executive Director maintains, in line with proposals and decisions referred to in paragraph 13 above, that any projected non-recurring expenditures relating to UNOPS activities not covered by the income for the year be charged to the UNOPS operational reserve. In the current biennium, these non-recurrent expenditures relate to two major projects, the relocation of the UNOPS offices in New York and the computer system implementation and upgrades associated with IMIS and Y2K. He further proposes that this approach be continued for the first year of the biennium 2000-2001 in order to conclude the major information systems projects relating to the implementation of IMIS and the Y2K system upgrades. This approach continues to reflect the important distinction between continuing expenditures and those that are occasional in nature, significant in value and not directly linked to the provision of support to projects.

## 1. Recurring expenditures

### (a) Staffing resources

15. Salaries and common staff costs continue to be the largest component of the UNOPS administrative budget. In 1998, the total of staff-related costs, including temporary assistance, amounted to $24.1 million, an increase of $2.8 million over 1997. This increase in staff resources is derived from the business plans of the individual units, which have been designed to meet the growth in demand and business volume while maintaining responsiveness and quality. Building a delivery capacity on project services requires more personnel, comprised of staff members in the 100 and 200 series as well as under contracts for activities of limited duration (ALD) and special service agreements (SSAs). This overall expansion of staffing resources is anticipated to continue through 1999 and into the biennium 2000-2001.

16. Table 3 shows an increase of 33 established posts and 2 time-bound project posts over the previously approved staffing level. These specific time-bound projects posts are charged to the administrative budget in line with Executive Board decision 98/20 of 21 September 1998. This increase, totalling 35 posts, gives a new total of 380 established posts for UNOPS as at 1 June 1999. This is an increase of 10 per cent over the prior period while total delivery increased by 16 per cent from $614 million in 1997 to $713 million in 1998. In addition to increasing the number of established posts, UNOPS has been more active in filling positions on a timely basis and has reduced the current proportion of vacant to total posts from 25 to 19 per cent.

17. The Executive Board may recall from document DP/1996/36 that the establishment and abolition of posts in UNOPS does not have direct financial implications to Member States since there is no assessed budget funding of these posts. It is significant only in that it establishes the types and levels of people that can be recruited. UNOPS staffing remains a combination of staff against established posts and other personnel recruited under ALD or SSA contracts. The balance between these types of staff varies as specific business needs evolve. In 1999, overall UNOPS staffing costs are projected to increase by $5.7 million over 1998. This includes the establishment of new posts in line with approved divisional business plans, the full-year cost of

staff recruited during 1998, and projected salary increases and promotions for existing staff. In terms of budgeting for the establishment of new posts, UNOPS follows the policy of trying to estimate when the post will be filled and then budgeting from that effective date. The Executive Director is actively seeking to bring UNOPS staff resources into a realistic and sustainable relationship with activities identified in the UNOPS business planning process while being mindful of the need to exercise caution and to monitor expenditures and income levels continuously.

18. After extensive review within UNOPS, the Executive Director has concluded that the strategic objective of further diversification of the UNOPS client base and product range would benefit from the establishment of a dedicated division for such programmes. Accordingly, the Division for Special Programme Development (DSPD) was established on 1 June 1999 to facilitate business acquisition efforts and to spearhead the development of new products that require special attention during the incubation phase. DSPD will serve as the key operations division for developing new programmes with substantial multiregional growth potential, with particular attention to the initial phases of developing appropriate standards and of facilitating the transfer of part or all of such programmes to other divisions when appropriate. The Division will also be responsible for piloting strategic alliances with the private sector, including selective bidding under development bank projects, in collaboration with existing divisions. DSPD will also manage and further develop the UNOPS Mine Action Unit (MAU), which has been managed to date by the Chief of the Africa Division. The budget and staffing level of the UNOPS MAU is sufficient to cover all DSPD direct costs from the start.

19. The Executive Director considers it appropriate, in line with other headquarter and decentralized offices, for this new division to be headed by a Chief at the D-1 level. Pursuant to Executive Board decision 94/32 of 10 October 1994, the Executive Director hereby requests the Board to approve the establishment of the post of Chief of the Division for Special Programme Development at the D-1 level. The effect of this request is reflected in table 3.

20. UNOPS considers that the increased number of established posts and the mix of staff against established posts and under ALD or SSA contracts remains a realistic reflection of its personnel requirements and requests the Executive Board to approve the establishment of 35 additional posts at the level of P-5 and below in addition to the D-1 post described above.

(b) Decentralized offices

21. The Executive Director is pleased to report that, in line with Executive Board decision 98/20 of 21 September 1998, a decentralized UNOPS office has been successfully established within the offices of the Food and Agricultural Organization of the United Nations (FAO) in Rome. The Rome Office is currently providing loan administration services to all IFAD-funded projects managed by UNOPS world-wide and project supervision services to projects in the Middle East and North Africa. The relocation of two posts from headquarters to Rome, as approved in decision 98/20, was completed early in 1999. The recruitment of three additional staff is planned for 1999. To complete the planned

decentralization of the UNOPS division for IFAD Programmes, the Executive Director is requesting the Executive Board to approve the relocation of two additional Professional posts - those of Chief of Division and Senior Portfolio Manager for Eastern Europe - along with two General Service posts. These staff members are expected to move to Rome in the first quarter of 2000. A review to ascertain continued financial viability of this operation is anticipated towards the end of 2000.

22. The Division for Western Asia, Arab States and Europe (WAASE) has identified a portfolio of projects in Europe, currently handled by a portfolio manager stationed in New York, that can be implemented more efficiently from the Division for Rehabilitation and Social Sustainability (RESS), located in the UNOPS Geneva Office. The greater proximity and quicker access to programme countries provided by the Geneva Office allows closer follow-up and monitoring. The portfolio would initially include regional projects located in Bratislava and Slovakia as well as country projects implemented by WAASE in Albania, Armenia and the Republic of Moldova. The Executive Director wishes to relocate the post of portfolio manager from New York to Geneva and is hereby requesting approval of the Executive Board to do so. If the Board agrees, the WAASE portfolio manager would move to Geneva by the fourth quarter 1999.

(c) Reimbursements to UNDP for services provided

23. UNOPS compensates UNDP country offices for additional costs they incur while providing services to projects implemented by UNOPS. Such compensation totalled $2.9 million for 1998, an increase of 43 per cent over 1997, and is currently projected at $3.1 million for 1999. This is anticipated to give a total for the biennium 1998-1999 of $6.0 million compared to $3.8 million for the biennium 1996-1997, an increase of 58 per cent. This reflects the increasing volume of activity undertaken on behalf on UNOPS by UNDP country offices.

24. The costs of central administrative services obtained from UNDP and from the United Nations (through UNDP) are currently projected at $8.1 million for the biennium, based on the same rates used for the 1996-1997 biennium. The methods and rates for administrative service remain under review, however, since the distribution of activities and responsibilities is evolving over time. Compensation arrangements associated with the implementation of IMIS, for example, remain to be finalized. Progress is being made in identifying and assigning value to other administrative services provided to UNOPS by the United Nations; completion of this exercise is anticipated by the end of 1999. In line with the recommendations of ACABQ, the United Nations Secretariat has agreed with the organizations involved to present the proposed agreement to ACABQ prior to implementation. The current projections for 1999 and for the biennium 2000-2001 are based on the latest interim arrangements agreed upon between the organizations and the United Nations. Any changes resulting from these ongoing reviews will be provided to the Executive Board at the earliest opportunity.

## 2. Extraordinary expenditures

### (a) Information systems projects

25. Based on the proposals put forward in the revised budget estimates for the biennium 1998-1999 (DP/1998/35), the Executive Board approved in its decision 98/20 a total of $7.4 million for implementation of the IMIS/Y2K projects. The actual expenditure in 1998 amounted to $1.4 million, while the projection for 1999 has been revised downward from $4.3 million to $4.0 million. The total revised estimate for the 1998-1999 biennium is, as a result, reduced to $5.4 million. Since significant project activity will continue into the year 2000, an additional amount of $2.9 million is included in the non-recurring cost category of the budget estimates to cover anticipated costs. All projected costs relating to information systems beginning in 2001 revert to the recurring cost category. The total cost of the IMIS/Y2K projects over three years is now projected to increase by 12 per cent from $7.4 million to $8.3 million.

26. The UNOPS implementation of IMIS is directly linked to the implementation schedules of the United Nations and of UNDP: UNOPS reacts to, rather than directly controls, the overall implementation timetable. Thus, the fact that the project has taken longer than anticipated is in part associated with aspects of the overall implementation process that have taken place later than had been originally planned. In addition, the late arrival of UNOPS to the implementation process reduced the number of IMIS-adept staff that UNOPS was able to recruit. This in turn required significant time and effort on the part of existing staff to acquire sufficient familiarity with IMIS to be able to ensure that UNOPS needs are met by IMIS.

27. The non-recurring budget provisions for the IMIS/Y2K projects do not include amounts associated with IMIS for compensation payable to the United Nations or to UNDP for their services in connection with information systems. It is assumed that since IMIS replaces equivalent services already included in the existing UNOPS compensation arrangements, there is at present no basis for adjusting such amounts contained in the recurrent budget category either upward or downward.

### (b) Update on the headquarters relocation project

28. The approved budget for this project is $4.0 million. In 1998, $0.1 million of expenditure was incurred under this project and the revised budget for 1999 totals a further $8.5 million, giving a total for the biennium of $8.6 million, an increase of $4.6 million over the approved budget. This increase is offset in part by an additional free-rent period, negotiated by UNOPS as a further payment by the landlord to UNOPS construction costs, totalling $0.9 million. The benefit of this free rent is shown under the heading of recurring rent and maintenance costs in 1999 in table 2. Thus, the overall project increase is $3.7 million, which is made up from a number of factors further described below.

29. Cost increases in the relocation project fall into three categories (see figure below). The first category includes items in the approved budget for

which the original estimates have been found to be insufficient. The total of such increases is $0.5 million after being partially offset by the landlord payment mentioned in the preceding paragraph. The second category contains new items totalling $0.8 million that were not included in the original budget submission. The balance, totalling $2.4 million, derives from decisions that react to the timing of the relocation and further knowledge of the physical characteristics of the new office premises. The desktop computing platform will be upgraded a year ahead of schedule in order to avoid the cost and disruption of upgrades and Y2K testing that would otherwise be required. The network and audiovisual infrastructures will also be reconfigured in order to make best use of the new office space and to provide a sound technical foundation for the future.

Cost increases in the relocation project

| Category/item | Amount (in million of dollars) |
|---|---|
| Increases of original estimates | |
| Mechanical/electrical construction | 0.2 |
| Furnishings | 0.3 |
| Subtotal | 0.5 |
| Items not included in original estimates | |
| Construction management fees | 0.1 |
| Lease negotiation fees | 0.1 |
| UNOPS relocation team staff costs | 0.3 |
| Cabling costs for new floors | 0.5 |
| Fee reduction negotiated from brokers | -0.3 |
| Security system | 0.1 |
| Subtotal | 0.8 |
| Timing and physical characteristics | |
| Audiovisual and telecommunications equipment | 0.5 |
| High-density arcade filing | 0.1 |
| White noise system | 0.1 |
| PC upgrades | 0.9 |
| PABX telephone system | 0.2 |
| Network | 0.4 |
| Network printers, patching and console | 0.2 |
| Subtotal | 2.4 |
| Total | 3.7 |

## III. PROJECTIONS OF INCOME AND ESTIMATED BUDGET EXPENDITURES FOR THE BIENNIUM 2000-2001

30. The portfolio, delivery and income for 2000 are based on the targets of the divisional business plans. The projected delivery of $620 million is $70 million (13 per cent) higher than the projection for 1999. It will support the continuing expansion in staff and increases in related administrative expenditures. The projected increase takes into account two opposing factors: on the one hand, an upturn in delivery is expected in 2000 as UNOPS recovers from the disruption resulting from the office relocation and from the introduction of IMIS. On the other hand, some negative impact on delivery of the Y2K issue is anticipated. The estimates for 2001 assume continued moderate growth in the UNOPS project portfolio. Delivery targets are set higher to improve the proportion of delivery to portfolio value while income rates remain in line with the projections targets for 2000.

31. Administrative expenditures projected for 2000 reflect the developing business needs as projected in the divisional business plans. The distribution between recurring and non-recurring expenditures is retained in 2000 only for conclusion of the IMIS and Y2K projects. In 2000, it is anticipated that total income will again cover all UNOPS recurring expenditures and make a significant contribution towards covering non-recurring expenditures. Projections for 2001 indicate an amount of income over and above expenditure, which will be the first step towards rebuilding the UNOPS reserve to its required level. Projections for 2000 and 2001 are described in tables 1 and 2.

## IV. MOVEMENTS IN THE UNOPS OPERATIONAL RESERVE

32. In the approved budget for the 1998-1999 biennium, it was anticipated that the UNOPS operational reserve would be reduced to a total of $11.2 million, reflecting a rate of 2 per cent of the delivery and income of the prior year rather than the established reserve rate of 4 per cent. Thanks to the efforts made in 1998, which will continue into 1999, the forecast balance of the UNOPS operational reserve will be $19.9 million, i.e., $8.7 million higher than in the approved budget. This projected higher balance at the end of the current biennium equates to a reserve rate of 3.25 per cent, rather than 2 per cent in the approved budget (see table 1).

33. The forecasts for the year 2000 show that while income will exceed recurring expenditures, there will be an amount of non-recurring expenditures that will be charged to the reserve. This will reduce the reserve by $1.5 million to $18.4 million. In 2001, income is projected to exceed total expenditures under the administrative budget by $4.2 million. Consequently, the operational reserve balance at the end of the biennium 2000-2001 is forecast to be $22.6 million, a rate of 3.1 per cent. It is expected that the reserve will be restored to the prescribed level in the biennium 2002-2003.

## V. MANAGEMENT SUMMARY

34. The management challenges of the current and next biennium are considerable. To the routine demands of providing project services, the pressures of office relocation, implementation of IMIS and achievement of Y2K compliance have been added. The Executive Director will continue to focus resources and efforts on meeting these challenges in a manner consistent with the needs of UNOPS and its clients. The portfolio, income, budgets, expenditures and extraordinary projects will continue to be monitored and managed on a regular basis so that timely action is taken in accordance with the self-financing principle.

35. As already established in previous budget submissions, should the value of new project budgets accepted during the budget period vary significantly from expectations, decisions will be made to adjust costs, including staff costs, to levels compatible with the best income estimates. Such decisions will be made in full consultation with the MCC and the Executive Director will inform the Executive Board as appropriate.

## VI. EXECUTIVE BOARD ACTION

36. The Executive Board may wish to :

1. Take note of the report of the Executive Director on revised budget estimates for the biennium 1998-1999 and budget estimates for the biennium 2000-2001 (DP/1999/39);

2. Approve the revised budget estimates for the 1998-1999 biennium in the amount of $102.6 million;

3. Approve the budget estimates for the 2000-2001 biennium in the amount of $113.8 million;

4. Approve the staffing level as proposed for the biennium 1998-1999, including the relocation of four posts from New York to Rome and of one post from New York to Geneva, and the establishment of the post of Chief of the Division for Special Programme Development at the D-1 level.

Table 1. Projections of project expenditures and income for the bienniums 1998-1999 and 2000-2001 with comparative figures for the biennium ended 31 December 1997
(in millions of dollars)

| | 1996-1997 Actual | 1998-1999 Approved estimates | 1998 Actual | 1999 Projected | 1998-1999 Revised | 2000 Projected | 2001 Projected | 2000-2001 Projected |
|---|---|---|---|---|---|---|---|---|
| Delivery | 893.9 | 1 125.0 | 537.8 | 550.0 | 1 087.8 | 620.0 | 680.0 | 1 300.0 |
| Income from implementation of projects | 66.7 | 78.1 | 43.5 | 42.9 | 86.4 | 48.3 | 53.0 | 101.3 |
| Income from "services only" | 6.9 | 10.3 | 4.1 | 5.6 | 9.7 | 5.6 | 5.6 | 11.2 |
| Other income | 5.1 | 2.4 | 2.4 | 2.6 | 5.0 | 2.0 | 2.0 | 4.0 |
| Total income | 78.7 | 90.8 | 50.0 | 51.1 | 101.1 | 55.9 | 60.6 | 116.5 |
| Recurring administrative expenditures | 70.3 | 89.6 | 40.5 | 48.1 | 88.5 | 54.5 | 56.4 | 110.9 |
| Non-recurring administrative expenditures | | 11.4 | 1.5 | 12.6 | 14.0 | 2.9 | | 2.9 |
| Total administrative expenditures | 70.3 | 101.0 | 42.0 | 60.6 | 102.6 | 57.4 | 56.4 | 113.8 |
| Unexpended resources and movements on the operational reserve | | | | | | | | |
| Operational reserve brought forward | 6.8 | 20.0 | 20.0 | 29.4 | 20.0 | 19.9 | 18.4 | 19.9 |
| Unexpended resources brought forward | 6.2 | 1.4 | 1.4 | | 1.4 | | | |
| Transfer to operational reserve | 7.0 | | 8.0 | | 8.0 | | 4.2 | 2.7 |
| Transfer from operational reserve | | (8.8) | | (9.5) | (9.5) | (1.5) | | |
| Transfer from unexpended resources | | (1.4) | | | | | | |
| Unexpended resources carried forward | 1.4 | | | | | | | |
| Operational reserve carried forward | 20.0 | 11.2 | 29.4 | 19.9 | 19.9 | 18.4 | 22.6 | 22.6 |



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Table 2. Revised budget estimates for the biennium 1998-1999 and budget estimates for the biennium 2000-2001
(in thousands of dollars)

| | Object of expenditure | Approved estimates 1998-1999 | Actual expenditure 1998 | Estimated expenditure 1999 | Revised estimated expenditure 1998-1999 | Estimated expenditure 2000-2001 |
|---|---|---|---|---|---|---|
| 010 | Salaries | 28 495 | 12 044 | 16 450 | 28 494 | 38 118 |
| 100 | Common staff costs | 17 098 | 6 466 | 8 775 | 15 241 | 19 866 |
| 030 | Temporary assistance | 4 994 | 2 397 | 1 793 | 4 190 | 3 675 |
| 070 | Activities of limited duration (ALD) | 5 026 | 2 989 | 2 480 | 5 469 | 5 302 |
| 040 | Consultants | 2 922 | 1 249 | 2 620 | 3 869 | 7 001 |
| 050 | Overtime | 570 | 199 | 286 | 485 | 576 |
| 180 | Training | - | - | 701 | 701 | 1 878 |
| 220 | Staff travel | 2 804 | 916 | 1 423 | 2 339 | 3 191 |
| 340 | System development contracts | 915 | 263 | 40 | 303 | 480 |
| 350 | Subcontracts | 2 133 | 329 | 942 | 1 271 | 2 539 |
| 410 | Rent and maintenance | 5 360 | 2 586 | 2 090 | 4 676 | 7 936 |
| 420 | Utilities | 40 | 24 | 37 | 61 | 395 |
| 430 | Rent and maintenance of equipment | 190 | 84 | 101 | 185 | 243 |
| 440 | Communications | 2 195 | 937 | 908 | 1 845 | 1 828 |
| 450 | Hospitality | 60 | 17 | 25 | 42 | 49 |
| 490 | Miscellaneous services | 828 | 432 | 938 | 1 370 | 1 856 |
| 510 | Office supplies | 1 392 | 1 004 | 331 | 1 335 | 580 |
| 610 | Office furniture and equipment | 787 | 222 | 482 | 704 | 503 |
| 620 | Microcomputers hardware/software | 2 087 | 1 155 | 651 | 1 806 | 855 |
| | Subtotal | 77 896 | 33 313 | 41 074 | 74 387 | 96 871 |

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Table 2 (continued)

| | Object of expenditure | Approved estimates 1998-1999 | Actual expenditure 1998 | Estimated expenditure 1999 | Revised estimated expenditure 1998-1999 | Estimated expenditure 2000-2001 |
|---|---|---|---|---|---|---|
| 740 | Services provided by UNDP Country offices/other United Nations agencies | 4 428 | 2 860 | 3 132 | 5 992 | 6 264 |
| 750 | Reimbursement to UNDP | | | | | |
| | Services provided by UNDP/OAPR | 1 600 | 813 | 820 | 1 633 | 1 640 |
| | UNDP central support services | 4 652 | 2 628 | 2 529 | 5 157 | 5 058 |
| | United Nations central services | 1 000 | 859 | 500 | 1 359 | 1 100 |
| | Subtotal | 11 680 | 7 160 | 6 981 | 14 141 | 14 062 |
| Information systems project | | 7 413 | 1 373 | 4 023 | 5 396 | 2 911 |
| Relocation project | | 3 966 | 108 | 8 541 | 8 649 | |
| | Subtotal | 11 379 | 1 481 | 12 564 | 14 045 | 2 911 |
| | Grand total | 100 955 | 41 954 | 60 619 | 102 573 | 113 844 |

Table 3. UNOPS current staffing table

| Category/Post level | Total established posts a/ | Posts reclassified b/ | Additional posts b/ | Project related posts c/ | Total posts | Posts filled by 100/200/300 series staff | Vacant posts d/ | Post grand total |
|---|---|---|---|---|---|---|---|---|
| International | | | | | | | | |
| ASG | 1 | 0 | 0 | | 1 | 1 | 0 | 1 |
| D-2 | 1 | 0 | 0 | | 1 | 1 | 0 | 1 |
| D-1/L-6 | 14 | 0 | 1 e/ | | 15 | 14 | 1 | 15 |
| P-5 | 35 | 1 | 1 | | 37 | 33 | 4 | 37 |
| P-4/L-4 | 35 | 8 (1) | 3/2 | | 47 | 44 | 3 | 47 |
| P-3 | 25 | 1 (9) | 5 | 1 | 23 | 14 | 9 | 23 |
| P-2/L-2 | 7 | 1 (1) | 1/1 | 1 | 10 | 7 | 3 | 10 |
| Subtotal | 118 | 0 | 14 | 2 | 134 | 114 | 20 | 134 |
| Locally recruited | | | | | | | | |
| Principal level (G7/G6) | 74 | 2 | 7 | | 83 | 73 | 10 | 83 |
| Other level | 153 | -2 | 13 | | 164 | 122 | 42 | 164 |
| Subtotal | 227 | 0 | 20 | 0 | 247 | 195 | 52 | 247 |
| Total | 345 | 0 | 34 | 2 | 381 | 309 | 72 | 381 |

a/ Executive Board decision 98/20 of 21 September 1998
b/ Since decision 98/20
c/ Posts strictly relating to specific projects
d/ Posts that are indicated as vacant include functions covered by non-staff employment (e.g., temporary assistance) as well as posts under active recruitment
e/ Chief, Division for Special Programmes Development, for which approval is requested in the present report

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